

RECEIVED AUG 28 1997

Pete Wilson  
GovernorCal/EPALos Angeles  
Regional Water  
Quality Control  
Board101 Centre Plaza Drive  
Monterey Park, CA  
91754-2156  
(213) 266-7614  
FAX (213) 266-7600

August 26, 1997

Robert Wenom, Refinery Manager  
Powerine Oil Company  
12354 Lakeland Road  
P.O. Box 2108  
Santa Fe Springs, CA 90670-3857**POWERINE OIL COMPANY, 12345 & 12354 LAKELAND ROAD, SANTA FE SPRINGS - CLEANUP AND ABATEMENT ORDER AND PROSPECTIVE PURCHASER AGREEMENT (FILE NO. 85-18 & 96-137)**


We reference our letter dated August 13, 1997, transmitting a revised tentative Cleanup and Abatement Order and Prospective Purchaser Agreement, for the Powerine refinery, File No. 85-18 and the Lakeland Property, File No. 96-137.

Pursuant to Section 13263 of the California Code of Regulations, this Regional Board at a public meeting held on August 25, 1997, reviewed the tentative Cleanup and Abatement Order and Resolution, considered all factors in the case, and adopted the enclosed Cleanup and Abatement Order No. 97-118 for the Powerine refinery and Resolution No. 97-016, authorizing the Executive Officer to execute the enclosed Prospective Purchaser Agreement.

The Prospective Purchaser Agreement shall be recorded by Powerine in the County of Los Angeles prior to the recordation of any conveyance, or execution of any lease for, any portion of the Lakeland Property by Powerine in favor of any purchaser, any Owner or Occupant. Any amendment to this Agreement shall also be recorded in the County of Los Angeles.

In addition, the Prospective Purchaser Agreement requires Powerine to this Regional Board by March 15, 1998, a Master Work Plan to implement the Cleanup and Abatement Order. In addition, Powerine shall submit by December 31, 1997, a Work Plan and Time Schedule acceptable to the Executive Officer, to initiate remediation of the off-site benzene plume beneath the Lakeland Property and beneath the Metropolitan State Hospital.

Please call Keith Elliott at (213) 266-7614 if you have any questions.

  
J.E. Ross, Unit Chief  
Site Cleanup Unit

cc: See enclosed mailing list

Enclosure

Robert Wenom, Refinery Manager  
Powerine Oil Company  
Page 2

Mailing List

cc: Jorge Leon, State Water Resources Control Board, Office of Chief Counsel  
John Youngerman, State Water Resources Control Board, Division of Water Quality  
Nancy Long, Department of Toxic Substance Control, Headquarters  
✓ Hamid Saebfar, Department of Toxic Substance Control, Region 3 - Glendale  
Tom Klinger, Los Angeles County Fire Department - Health Hazardous Materials  
Division  
Metropolitan State Hospital  
Katsumi Keeler, South Coast Air Quality Management District  
Ginger Shattuck, Norwalk-La Mirada School District  
Andy Lazaretto, City of Santa Fe Springs  
Dave Klunk, Santa Fe Springs Fire Department  
Gary Dicorpo, City of Norwalk  
Roger Pearson, California Environmental Insider  
Glen Totten, California Compliance Monitor  
Carlos Porras, Communities for a Better Environment  
Angela Johnson Maszaros, Environmental Justice Resource Network  
Ruben Mc David, Mothers of East Los Angeles  
Friends of the L.A. River  
Besthand  
Darling Bolt  
Bligh Roof  
Galaxy Tea Corporation  
Weld Engineering  
Coast Iron and Steel  
Zillion, Inc.  
G&F Roof Supply  
Henry Richter, TriHidro Corporation  
Roger Kemple, Golden West Refinery  
George Bravante, DC Santa Fe Springs, LLC.  
Trevor Santochi, Santochi and Bravante, LLC



State of California  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
LOS ANGELES REGION

CLEANUP AND ABATEMENT ORDER NO. 97-118

REQUIRING POWERINE OIL COMPANY  
TO CLEANUP AND ABATE THE EFFECTS OF UNCONTROLLED RELEASES OF  
PETROLEUM HYDROCARBONS  
TO SOIL AND GROUND WATER

(File No. 85-18)

The California Regional Water Quality Control Board, Los Angeles Region, finds:

1. The Powerine Oil Company, a California corporation, (hereafter referred to as the Discharger), operates a 88 acre Refinery, located at 12345 Lakeland Road. The refinery includes the Bloomfield Property, located at 10820 Bloomfield Avenue, and interconnecting pipelines from the refinery to its former Marine Terminal located at Berth 73 Port of Long Beach. The Powerine Oil Company is currently owned by Energy Merchant Corporation.
2. The refinery site has been used for refining purposes since 1936. The refinery processes raw materials, including crude oil, raw naphtha to produce petroleum products. The components 1,2-dichloroethane and tetrachloroethene were used at the site and stored near the refinery laboratory in above ground tanks. Tetrachloroethene may have been used at the site as a catalyst activator and 1,2-dichloroethane may have been used as a lead scavenger. The main products produced by the refinery are transportation fuels, including kerosene, jet A fuel, unleaded gasoline, high and low sulfur diesel, fuel oil, and petroleum coke. The refinery also produces refinery gas and hydrogen, which are consumed internally by the refinery. In addition, the refinery produces revenue generating non-fuel by-products such as sulfur and carbon dioxide.
3. From 1968 to March 1986, the Discharger leased a small portion of the Walker property, located at 11240 Bloomfield Avenue, Santa Fe Springs, as a terminalling facility for storage and transferring of asphalt, jet fuel, gas oil, fuel oil, butane, carbon dioxide, and liquified petroleum gas. The two large tanks existed at the site as early as 1945, prior to Powerine use of the tanks.
4. In March 1984, Powerine sought Chapter 11 bankruptcy protection and shut down the refinery. In September, 1986, Powerine Oil Company emerged from bankruptcy. The refinery operated from 1986 until 1995 undergoing a series of ownership changes that ultimately resulted in a July, 1995 shutdown of their 49,500 barrel per day refining process and layoff of most of their 400 employees. During this time, Order No. 85-17 was adopted by this Regional Board directing Powerine Oil Company to conduct a subsurface investigation of their Refinery and to detect and assess any conditions of soil and ground water pollution which may be present. This Order provides that additional Orders shall be issued to correct any condition of pollution found. In response to this Order, the Discharger: Investigated the extent of ground water contamination originating from the

refinery and initiated some soil cleanup and operation of a free-phase petroleum hydrocarbon product removal system. In 1991, free-phase hydrocarbon removal was suspended due to the unrecoverability of the remaining free-phase petroleum hydrocarbon on the ground water. Little free-phase petroleum hydrocarbon contamination remains but extensive dissolved-phase contamination remain on-site and off-site, including under the State Hospital to the south. In early 1996 the Energy Merchant Corporation acquired Powerine with the intent of restarting the refinery and reestablishing Powerine in the petroleum refining business. Powerine stated that the sale of its former administrative building and terminalling facility property located at 12354 Lakeland Road, is key to the financing of the proposed refinery start-up. To facilitate this sale, on June 24, 1997, Powerine requested that this Regional Board enter into a Prospective Purchaser Agreement covering only the Lakeland Road portion of their refinery property.

5. Prior to their request for a Prospective Purchaser Agreement, Powerine initiated shallow soil remediation on the Lakeland Property and requested a no further action letter to facilitate the sale of the land. This remediation action consisted of demolition of the above ground tanks and associated pipelines at the Lakeland Property and removal of about 5,100 cubic yards of petroleum hydrocarbon saturated soils for staging prior to treatment or off-site disposal.
6. After Powerine's remediation efforts, on May 14, 1997, staff issued a "No Further Action" letter regarding soil contamination which provided that reasonable precautions are to be taken by those involved in any excavation, borings or related activities involving the subsurface of the subject site. This no further action letter was based upon:
  - a. Shallow soils meet the Board's cleanup goals for low risk sites. Deeper soil contamination remaining contain up to 27,000 mg/kg total petroleum hydrocarbon (TPH) as gasoline, up to 3.3 mg/kg methyl tertiary butyl ether (MTBE), 200 mg/kg benzene and up to 110 mg/kg naphthalene and pose no risk to surface development.
  - b. A "Fate and Transport/Human Health Risk Assessment", dated March 21, 1997, and update of May 12, 1997, indicate that remaining site soil contaminants will not impact the ground water, the incremental cancer risk was predicted to be less than 0.5 in one million for a site industrial worker, and the non-carcinogenic hazard index was predicted to be less than 0.013.
  - c. Existing ground water contamination with up to 14,000 mg/l benzene was deferred from the no further action letter for later cleanup under the refinery cleanup and abatement Order. Analyses for three on-site production wells, screened in the Silverado aquifer, were below detection limits for all constituents except for 0.88 µg/l toluene in production well number 6, which appeared to be an anomaly.

7. The refinery is underlain by several water-bearing zones. The uppermost water-bearing zone is the unconfined Artesia aquifer. The depth to ground water underlying the refinery is generally 80 feet to 100 feet below ground surface (bgs). Ground water flow direction is generally south in the vicinity of the refinery with an apparent ground water divide about one mile south of the refinery. A deeper probable water-bearing zone at about 200 feet to 400 feet bgs located in the Lynwood formation and a water bearing zone at about 600 to 800 feet bgs called the Silverado aquifer, is a drinking water source for the area.
8. Ground water production wells, screened in the Silverado aquifer, within four miles of the refinery supply drinking water for approximately 114,000 people, supplied by five water purveyors.
9. Free-floating hydrocarbon product was identified in the Artesia aquifer underlying the refinery and is known to have migrated off-site in this aquifer. The discharger initiated recovery of free floating hydrocarbon from the Artesia aquifer in the summer of 1990. As of March 1995, about 520 gallons of hydrocarbon have been recovered from the Artesia aquifer and the maximum hydrocarbon thickness has been reduced to from 2.96 feet to 0.3 feet.
10. The U.S. EPA conducted a Site Inspection Prioritization (SIP) of the refinery and prepared a report, dated September 11, 1995. This report indicated that further assessment is needed under the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 (CERCLA), the Regional Board is the lead agency for this site and that EPA will continue to monitor the sites progress.
11. The Regional Board adopted a revised Water Quality Control Plan for the Los Angeles Region on June 13, 1994. This Water Quality Control Plan designates beneficial uses and establishes water quality objectives for all ground water within the Region. Existing or potential beneficial uses for ground water in the Coastal Plain, where the site is located, are municipal and domestic supply, agricultural supply, and industrial service and process supply. Ground water in the Silverado aquifer is usually of best quality and quantity.
12. The California Water Code, Section 13304, "Cleanup and Abatement Orders", requires in part, that any discharge of waste into the waters of the state, that creates, or threatens to create, a condition of pollution or nuisance, shall upon order of the Regional Board cleanup such waste or abate the effects thereof. If such waste is cleaned up, the effects thereof abated, the person or persons who discharged the waste, shall be liable to that governmental agency [for its supervision] to the extent of the reasonable costs actually incurred in cleaning up such waste and abating the effects thereof.
13. Additionally, under the Aboveground Tank Act (SB 1050), the discharger is required to reimburse the State of California for staff oversight costs associated with cleanup and abatement activities. To that end, the discharger, via a letter dated March 11, 1993, agreed to reimburse the State of California for staff oversight costs associated with cleanup activities at this facility.

14. This enforcement action is being taken for the protection of the environment and, as such, is exempt from the provisions of the California Environmental Quality Act (Public Resources Code, Section 21000, et. seq.) in accordance with Section 15321, Chapter 3, Title 14, California Code of Regulations.

The Regional Board has notified the discharger of its intent to issue an Order requiring it to cleanup and abate conditions of soil and ground water pollution caused by the release of petroleum hydrocarbon products from their properties and has provided them with an opportunity to submit their written views and recommendations.

The Regional Board, in a public meeting, heard and considered all comments pertaining to the tentative Order.

IT IS HEREBY ORDERED, pursuant to California Water Code 13304, that Powerine Oil Company shall:

1. Cleanup and abate the effects of on-site and off-site soil and ground water contamination originating from its refinery, including its Bloomfield Property, activities associated with two above ground storage tanks on the "Walker Property" located at 11240 Bloomfield Avenue, and its interconnecting pipelines to its former Marine Terminal, located at Berth 73 in the Port of Long Beach, Long Beach, California. In addition, cleanup and abate the effects of on-site and off-site ground water contamination which may have originated from its Lakeland Property, as required by this Regional Board.
2. Submit to this Regional Board by March 15, 1998, a Master Work Plan and time schedule for approval by the Executive Officer, that details all known on-site and off-site ground water and soil contaminated areas for cleanup. The Master Work Plan shall provide a time schedule for cleanup of all detailed ground water and soil contamination. These activities shall be conducted according to approved work plans, the requirements of the State Water Resources Control Board Resolution No. 92-49 "Policies and Procedure", and the time schedule specified in the Master Work Plan. The Master Work Plan shall include at a minimum the following items:
  - a. An updated refinery source identification and elimination plan including a plan and time schedule for implementation of the site source identification and elimination program within 90 days of approval of the plan by the Executive Officer. The plan is to detect leakage from above ground tanks and associated piping, identify free phase petroleum hydrocarbon in the vadose zone, and remediate any petroleum hydrocarbon contamination in a timely manner.
  - b. A plan and schedule for final site assessment of all soil and ground water contamination to:
    - 1) Fully delineate the extent of free-phase and dissolved phase ground water contamination in the upper saturated zone and underlying saturated zones. Off-site investigations coordinated to include neighboring facilities are

considered a vital part of this effort. Complete the preliminary investigation and characterization of all known on-site vadose zone contamination. Define the lateral and vertical extent of such contamination, characterize and evaluate contaminant behavior, and evaluate the potential impact on ground water quality.

- 2) Develop specific aquifer characteristics, such as hydraulic conductivity, for the uppermost saturated zone and any underlying contaminated aquifers;
  - 3) Assess the saturated zone hydraulic characteristics and conductivity (i.e., determine the connection between saturated units or aquitards underlying any soil or ground water contamination).
- c. A description of the current facility ground water cleanup strategy to remediate any on-site and off-site free-phase and dissolved phase ground water contamination.
- d. A schedule for initiating cleanup of all known ground water contamination.
- e. A schedule for initiating cleanup of all known vadose zone contamination. Cleanup levels shall be approved in Waste Discharge Requirements issued by this Regional Board.
3. After completion of any phase of ground water or soil investigation or cleanup, according to the approved time schedule in the Master Work Plan, a detailed report describing the activities and results shall be submitted to this Regional Board. Semi-annual progress reports shall be submitted until all required activities are completed.
4. Pursuant to Section 13267 of the Water Code, the discharger shall submit, under penalty of perjury, to this Regional Board technical reports to include semi-annual progress and ground water elevation gauging and sampling reports until completion of all Regional Board mandated work. These reports must contain, at a minimum, the following information:
  - a. A summary of all ground water elevation measurements from mean sea level and depths to ground water from all site monitoring wells. Monitoring wells should be sounded for total depth at each gauging event. This information should be presented in tabular form to include well location (latitude/longitude or x/y coordinate system) and on a plot plan depicting the location of the borings/wells with ground water contours depicting groundwater flow direction and gradient information. Also, include a free phase hydrocarbon isothickness map and a dissolved phase contaminant isoconcentration contour map, if applicable.
  - b. Analyses of ground water collected from selected site monitoring wells during the sampling period, as approved by the Executive Officer, together with an evaluation

of the test results. Ground water sample collection procedures and analyses shall be according to an approved work plan.

- c. The above data shall be submitted by hard-copy in a report and if requested, electronically in a format acceptable to the Executive Officer.
  - d. Investigative and remedial activities completed during the reporting period and activities proposed for the next reporting period.
- 5. Any request for time extensions of the completion dates, shown in the approved Master Work Plan, must include justification for such time extension and be submitted in writing to the Executive Officer for approval.
  - 6. Abandonment of any ground water well(s) at the site must be reported to the Executive Officer in advance when possible, but no later than 14 days after removal. Any ground water well removed must be replaced within a reasonable time, at a location approved by the Executive Officer. With justification, the Executive Officer may approve of the abandonment of ground water wells without replacement. When a well is removed, all work shall be completed in accordance with all applicable well abandonment requirements.
  - 7. All work, except the source elimination program, performed pursuant to this Order shall be under the direction and supervision of a registered Civil Engineer or Geologist or a Certified Engineering Geologist. The Discharger's contractor or consultant shall have the technical expertise sufficient to adequately perform all aspects of the work for which they are responsible.
  - 8. When required, it is the intent of this Regional Board to issue Waste Discharge Requirements or other Orders pursuant to Section 13260, Section 13304, and/or Section 13350 of the Water Code to facilitate this cleanup and abatement activity.
  - 9. The Regional Board and other Regional Board authorized representative shall be allowed:
    - a. Entry upon premises where a regulated facility or activity is located or conducted, or where records are kept under the conditions of this Order;
    - b. Access to copy any records that are kept under the conditions of this order;
    - c. To inspect any facility, equipment (including monitoring and control equipment), practices, or operations regulated or required under this order; and
    - d. To photograph, sample, and monitor for the purpose of assuring compliance with this Order, or as otherwise authorized by the California Water Code.



10. Any investigation and cleanup and mitigation activities required by this Order, currently in progress or conducted in the past, shall be included and made a part of the cleanup program.
11. This Order is not intended to permit or allow the discharger to cease any work required by any other Order issued by this Regional Board, nor shall it be used as a reason to stop or redirect any investigation or mitigation activities not required by this Order or any other agency.
12. This Order in no way limits the authority of the Regional Board as contained in the California Water Code, to require additional investigation and cleanup pertinent to this project. It is the intent of this Regional Board to issue Waste Discharge Requirements or other Orders pursuant to Section 13260, Section 13304, and/or Section 13350 of the Water Code when appropriate to facilitate this cleanup and abatement activity. Additionally, continued monitoring of the ground water quality beneath this facility after the completion of this cleanup and abatement activity may be required.
13. Provide to the Regional Board advance notice of any planned physical alterations to the facility or planned changes in the facility's activities that may affect compliance with this Order.
14. This Order does not exempt the discharger from compliance with any other laws, regulations, or ordinances which may be applicable, nor does it legalize these waste treatment and disposal facilities and it leaves unaffected any further restraints on those facilities which may be contained in other statutes or required by other agencies.
15. Provide to the Regional Board advance notice of any planned change in name, ownership, or control of the facility; provide notice to any succeeding owner or operator of the existence of this Order by letter; forward a copy of such notification to the Regional Board.
16. Pursuant to Section 13304 of the Water Code, the discharger shall reimburse the State Water Resources Control Board (SWRCB) for all reasonable costs incurred by the State Board and this Regional Board in overseeing the cleanup and abatement activities required by this order.
17. This order may be revised by the Regional Board through its Executive Officer as additional information on this site becomes available. Upon request by the discharger, and for good cause shown the Executive Officer may defer, delete or extend the date of compliance for any action required of the discharger under this Order. The authority of the Regional Board, as contained in the California Water code, to order investigation and cleanup additional to that described herein, is in no way limited by this Order.

Powerine Oil Company  
Cleanup and Abatement Order No. 97-118

File No. 85-18

Failure to comply with the terms or conditions of this Order may result in the imposition of civil liabilities, either administratively by the Regional Board or judicially by the Superior Court, in accordance with Section 13350, et seq., of the California Water Code, and/or referral to the Attorney General of the State of California for such action as he may deem appropriate.

I, Dennis A. Dickerson, Executive Officer, do hereby certify that the foregoing is a full, true and correct copy of an Order adopted by the California Regional Water Quality Control Board, Los Angeles Region on August 25, 1997.

A handwritten signature in dark ink, appearing to read "Dennis A. Dickerson", with a horizontal line drawn underneath it.

DENNIS A. DICKERSON  
Executive Officer

**STATE OF CALIFORNIA  
CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD  
LOS ANGELES REGION**

**AUGUST 25, 1997  
RESOLUTION NO. 97-016**

**APPROVAL OF A PROSPECTIVE PURCHASER AGREEMENT FOR THE  
POWERINE OIL COMPANY  
(LAKELAND PROPERTY, SANTA FE SPRINGS, CALIFORNIA)**

**(FILE NO. 96-137)**

**WHEREAS, THE CALIFORNIA REGIONAL WATER QUALITY CONTROL BOARD, LOS ANGELES REGION, FINDS:**

1. The Powerine Oil Company refinery is situated on approximately 88 acres, about 75 acres after the Lakeland Property sale, in the City of Santa Fe Springs, County of Los Angeles. The Powerine Oil Company, a California corporation, is currently owned by Energy Merchant Corporation.
2. The Powerine Lakeland Property, a 14.3 portion of the refinery at 12354 Lakeland Road, is bounded by Lakeland Road on the north, the Metropolitan State Hospital on the south, and small businesses on the west and east. The Lakeland Property has been the site of Powerine's administrative office building, warehouse, truck-loading rack, and associated fuel/product storage tanks.
3. In March 1984, Powerine sought Chapter 11 bankruptcy protection and shut down the refinery. In September, 1986, Powerine Oil Company was acquired and subsequently emerged from bankruptcy. From 1986 until 1995, Powerine underwent a series of ownership changes that ultimately resulted in a July, 1995 shutdown of their 49,500 barrel per day refining process and layoff of most of their 400 employees. In early 1996 the Energy Merchant Corporation acquired Powerine with the intent to rehire up to 370 employees, restart the refinery, and reestablish Powerine in the petroleum refining business. The sale of its former administrative building and terminalling facility property located at 12354 Lakeland Road is a key ingredient to the financing of the proposed refinery start-up. To facilitate this sale, Powerine requested that this Regional Board enter into a Prospective Purchaser Agreement for the 12354 Lakeland Road property. The intended uses of the Lakeland Property include industrial warehouses, light manufacturing and possibly retail.
4. The Regional Board has provided oversight for site assessment and remediation completed to date. Specific sources of site contamination include discharges from above ground tanks, loading racks, and associated pipelines. Investigations indicate the presence of up to 27,000 mg/kg total petroleum hydrocarbon (TPH) as gasoline, up to 3.3 mg/kg methyl tertiary butyl ether (MTBE), 200 mg/kg benzene and up to 110 mg/kg naphthalene remain in site soils. A soil column of benzene has been identified in borings PT/PTR-3 from 15 feet to 65 feet below ground surface. Ground water is about 79 feet

below ground surface containing up to 11 mg/l benzene and a sheen of light non-aqueous petroleum liquid. The contamination in the ground water underneath the Lakeland property is stipulated by Powerine to be from the refinery and the refinery accepts liability for this groundwater contamination if remediation is required.

5. The Regional Board has authority to enter into agreements which provide, "covenants not to sue or to assert claims for environmental remediation" against prospective purchasers of polluted properties, pursuant to the Water Code Sections 13000 et seq., the Health and Safety Code Sections 25300 et seq., and the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. Section 9613(f)(2), if such agreements are sufficiently in the public interest.
6. Prospective Purchaser Agreements have the consequence of absolving the purchaser from liability for existing contamination, potentially shifting the burden for remediation from that private entity to the public. Accordingly, the criteria used to evaluate the efficacy of a Prospective Purchaser Agreement in this specific case was measured carefully to assure that the risks to the public are minimized and that the public benefits outweigh those risks. An agreement with Powerine Oil Company will result in a public benefit including, but not limited to, the restoration of contaminated land to productive use, creation of 200 to 400 jobs after development of the site, and about 375 refinery jobs from the start-up of the refinery. In addition, about 2.5 support jobs can be anticipated from each job created. The State would receive income taxes from these jobs along with the City of Santa Fe Springs and the County of Los Angeles.
7. The enclosed Prospective Purchaser Agreement, is to be recorded and "runs with the Land". This Agreement includes covenants not to sue this prospective purchaser and subsequent prospective purchasers for any existing contamination or pollution present at the property, if the terms of the Agreement are carried out. This Agreement is consistent with the current State Water Resource Control Board Guidance on Prospective Purchaser Agreements issued by Walt Pettit, the State Water Resources Control Board Executive Officer, on July 9, 1996.
8. The Regional Board has consulted with other interested governmental agencies, including the City of Santa Fe Springs and the Department of Toxic Substances Control, and such agencies support the development of the site under the oversight of this Regional Board's staff.

The Regional Board has notified interested parties of its intent to adopt the tentative Resolution, and has provided them with an opportunity to submit their written views and recommendations. The Regional Board, in a public meeting, heard and considered all comments pertaining to the tentative Resolution.

Approval of a Prospective Purchaser Agreement for  
Powerine Oil Company (Lakeland Administration Property, Santa Fe Springs, California)  
Resolution No. 97-016

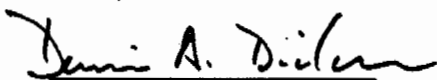
File No. 96-137

THEREFORE BE IT RESOLVED THAT:

1. This Regional Board hereby authorizes the Executive Officer to execute the enclosed Prospective Purchaser Agreement, between the Regional Board and Powerine Oil Company.
2. That a copy of this Resolution be forwarded to the State Water Resources Control Board.
3. That a copy of this Resolution be forwarded to Powerine Oil Company and to all interested parties.

CERTIFICATION

I, Dennis A. Dickerson, Executive Officer, do hereby certify that the foregoing is a full, true and correct copy of a Resolution adopted by the California Regional Water Quality Control Board, Los Angeles Region on August 25, 1997.



Dennis A. Dickerson  
Executive Officer

# CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

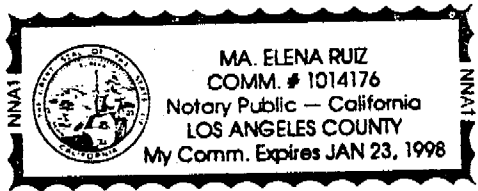
State of California

County of Los Angeles

On August 26, 1997 before me, Ma Elena Ruiz, Notary Public  
Date Name and Title of Officer (e.g., "Jane Doe, Notary Public")

personally appeared Robert A. Wenom and Dennis A. Dickerson  
Name(s) of Signer(s)

☒ personally known to me – OR – ☒ proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



WITNESS my hand and official seal.

Ma Elena Ruiz  
Signature of Notary Public

## OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

### Description of Attached Document

Title or Type of Document: Agreement and Covenant not to Sue

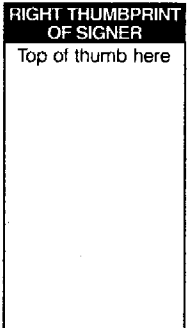
Document Date: August 26, 1997 Number of Pages: 5

Signer(s) Other Than Named Above: 14 plus 7 pages of attachments

### Capacity(ies) Claimed by Signer(s)

Signer's Name: Robert A. Wenom

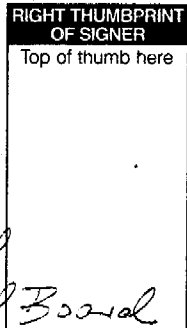
- ☐ Individual  
☒ Corporate Officer  
Title(s): Refinery Manager  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney-in-Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_



Signer Is Representing:  
Powerine Oil  
Company

Signer's Name: Dennis A. Dickerson

- ☐ Individual  
☒ Corporate Officer  
Title(s): Executive Officer  
☐ Partner — ☐ Limited ☐ General  
☐ Attorney-in-Fact  
☐ Trustee  
☐ Guardian or Conservator  
☐ Other: \_\_\_\_\_



Signer Is Representing:  
California Regional  
Water Quality Control Board

**RECORDING REQUESTED BY:**

Powerine Oil Company  
Attention: June M. Christman  
12345 Lakeland Road  
Santa Fe Springs, California 90670

**WHEN RECORDED, MAIL TO:**

California Regional Water Quality Control Board  
Los Angeles Region  
Attention: Executive Officer  
101 Centre Plaza Drive  
Monterey Park, California 91754-2156

**AGREEMENT AND COVENANT NOT TO SUE**

This Agreement and Covenant Not to Sue ("Agreement") is made and entered into this 25th day of August, 1997, by and between the State of California, California Regional Water Quality Control Board - Los Angeles Region ("RWQCB"), and Powerine Oil Company, a California corporation ("Powerine") (collectively, the "Parties") with regard to the following facts:

**Recitals**

A. **Refinery Property.** The Powerine Refinery ("Refinery") is currently owned by Powerine and is situated on approximately 88 acres in the City of Santa Fe Springs, County of Los Angeles. The Refinery property is divided by Bloomfield Avenue which traverses the Refinery Property from north to south and by Lakeland Road which traverses the Refinery Property from west to east. West of Bloomfield Avenue, the Refinery Property is bounded on the north by Florence Avenue, on the east by Bloomfield Avenue, on the south by the Metropolitan State Hospital, and on the west by Norwalk Boulevard. East of Bloomfield Avenue, the Refinery Property is bounded on the north by Florence Avenue, on the south by Lakeland Road, on the east by the Santa Fe Railway tracks, and on the west by Bloomfield Avenue. The Refinery Property is divided into three principal areas: the Process Unit Area; the Bloomfield Tank Farm/Coke Barn, and the Lakeland Property.

B. **Lakeland Property.** The Lakeland Property is currently owned by Powerine and is situated on 14.3 acres of land at 12354 Lakeland Road. The Lakeland Property is bounded by Lakeland Road on the north, the Metropolitan State Hospital on the south, and small businesses on the west and east. The Lakeland Property has been the site of Powerine's administrative office building, warehouse, truck-loading rack, and associated fuel/product storage tanks. This agreement applies specifically to the property at 12354 Lakeland Road, Santa Fe Springs, California ("Lakeland Property"). Powerine intends to convey title to the Lakeland Property to a purchaser for development. The intended uses of the Lakeland Property include industrial warehouses, light manufacturing and possibly retail. A legal description of the Lakeland Property is attached hereto and incorporated by reference as exhibit "A". A map depicting the Lakeland

Property is attached hereto as Exhibit "B". The Lakeland Property is located downgradient of and across the street from the Refinery which is located at 12345 Lakeland Road.

C. Neighboring Properties. The Lakeland property is surrounded primarily by industrial and commercial development. Some residential development is also near the Lakeland Property.

D. Refinery History and Future Plan. The Refinery is located near crude oil producing fields in the area. In 1936, Harry Rothschild purchased several acres of land from a Santa Fe Springs rancher and constructed a 3,000 barrel per day (bpd) crude oil topping unit. This site eventually became the location of the Powerine Oil Company Refinery. The Refinery produced gasoline, kerosene, and diesel fuel or heating oil. In the late 1970s a major refinery expansion was undertaken and additional property was purchased for the new facilities. This refinery expansion enabled Powerine to process heavier and higher sulfur crude oil into gasoline, jet and diesel fuels. The start-up of the new facilities commenced in late 1982. Meanwhile, decontrol of crude oil in 1982 resulted in very high prices for crude oil. Operational problems combined with reportedly poor margins in the refinery business are asserted to have contributed to substantial loss that Powerine incurred in the fiscal year that ended January 31, 1984. Due to the operating losses, Powerine sought Chapter 11 bankruptcy protection and shut down the refinery in March, 1984.

In September, 1986, Powerine Oil Company was acquired by a businessman and emerged from bankruptcy. From 1986 until 1995, Powerine underwent a series of ownership changes that ultimately resulted in a July, 1995 shutdown of the Refinery and the layoff of most of Powerine's 400 employees, due partially to poor refining margins. Powerine's current owner, Energy Merchant Corporation ("EMC") acquired Powerine in early 1996. EMC's stated interest is to restart the Refinery and reestablish Powerine as a petroleum refining business. Throughout 1996 Powerine reportedly vigorously pursued options to restart the Refinery. Notably, in August, 1996 Powerine entered into a processing agreement with a large Los Angeles refiner. The agreement was contingent upon Powerine obtaining financing to restart a portion of the Refinery. Powerine received commitment for this funding with an anticipated funding date of October 8, 1996. Unexpectedly, the committed funding was not provided; and consequently, the processing agreement expired. Powerine's financing efforts then began anew. Powerine is currently negotiating with seven (7) potential partners for the startup of the Refinery. Powerine is optimistic that it will execute a definitive agreement with one of these potential partners this summer. Restart of the Refinery will enable Powerine to rehire up to 370 of its employees, laid off when the Refinery shut down. With the Refinery shut down, Powerine's only significant source of revenue has been asset sales. Sale of the Lakeland Property will provide short term financing to Powerine enabling it to pursue the restart of the Refinery and rehiring its laid off employees.

E. RWQCB Orders. In 1985, the RWQCB issued Order No. 85-17, which required the Powerine Oil Company and 14 other refiners in the Los Angeles Basin to conduct subsurface investigations and site assessments to detect and characterize any groundwater contamination beneath the respective refinery facilities. Cleanup and Abatement Order No. 97-118 was adopted by the RWQCB on August 25, 1997, to cleanup and abate on-site and off-site soil and ground water contamination originating from uncontrolled releases to the subsurface at its refinery. In addition, the Order requires Powerine to cleanup and abate the effects of on-site and off-site ground water contamination which may have originated from its Lakeland Property.

F. Status of Powerine's Refinery Groundwater Investigation and Remediation Activities. Powerine has continued defining the extent of groundwater contamination in the vicinity of the



Refinery in accordance with RWQCB approved work plans. The dissolved petroleum hydrocarbon plume in the vicinity of Powerine has been defined with a network of 23 wells, which was used to develop potentiometric surface contours and analyze the aerial extent of dissolved total petroleum hydrocarbons as gasoline. Data from the well network indicates the presence of petroleum hydrocarbons and chlorinated hydrocarbons in the groundwater from upgradient and side-gradient, non-refinery sources. Nevertheless, as among Powerine, any purchaser and the RWQCB, Powerine accepts liability for groundwater contamination downgradient of the Refinery and underneath the Lakeland Property. Based on Powerine's historical data search and analytical data evaluation, the upgradient refinery is the source of releases that caused downgradient groundwater contamination. In addition to the dissolved plume, a sheen of hydrocarbon exists on the groundwater in some well locations. Measurable product is only present in small amounts in two wells. Given the minimal amount of hydrocarbon present, hydrocarbon recovery from these wells is not feasible at this time. Powerine is collecting data that documents that the dissolved plume is stable and that natural attenuation and intrinsic bioremediation is occurring.

G. Lakeland Property Site Assessment. Prior to November 1996, Powerine had completed an environmental assessment identifying contaminants at the Lakeland Property. The work performed included review of records and historical aerial photographs, interviews with long term employees of Powerine, soil sampling and analytical testing, and groundwater monitoring well installation, sampling and analytical testing.

In November and December of 1996, Powerine conducted additional soil sampling and analytical testing in accordance with an RWQCB approved work plan. The Soils Investigation Report was submitted on December 17, 1996 with recommended additional field work because the drilling rig met refusal at several boreholes. Additional RWQCB approved field work was conducted and a Final Soils Investigation Report was submitted on February 7, 1997. Petroleum hydrocarbon contamination exists in limited areas of the Lakeland Property. Data obtained from the field investigation was analyzed in a Fate and Transport/Human Health Risk Assessment ("FT/HRA") which was submitted to RWQCB on March 21, 1997. The FT/HRA concludes that the petroleum hydrocarbons detected in soil at the Lakeland Property *do not* pose a noncarcinogenic hazard or significant cancer risk and are not projected to impact groundwater at the Lakeland Property. Based upon the results presented in this report, no further action is necessary or warranted for soils at the Lakeland Property.

The FT/HRA conservatively evaluates the potential human health risks associated with the Lakeland Property, in its current state, for long-term commercial or industrial use. Additionally, the assessment evaluates the potential for the most mobile and toxic constituents to impact groundwater at the Lakeland Property. In accordance with state and federal risk assessment guidance (CalEPA, 1992, EPA, 1989), the methods are recognized to be extremely conservative and result in an overestimation of potential risks (EPA, 1992a, 1992b, and 1986; OMB, 1991). These agency guidelines were supplemented with a host of additional conservative assumptions regarding soil leachate modeling and human health evaluation.

H. Lakeland Property Site Remediation. In March through May, 1997, the Lakeland Property was demolished, or cleared of aboveground structures, underground foundations, tanks and pipes. On March 25, 1997, Powerine submitted a request to RWQCB for a No Further Action Letter for soils based on the FT/HRA. The RWQCB responded on April 2, 1997, stating its intent to issue the letter subject to: 1) additional sampling underneath above ground tanks after they are removed to confirm that contamination under the tanks is within the levels indicated by the risk

assessment to be insignificant. 2) Groundwater sampling and analysis of a well to be abandoned at the Lakeland Property in a deeper aquifer, and additional gauging and sampling of other deeper aquifer wells in the area to determine groundwater flow direction in the deeper aquifer.

During the weeks of April 28, 1997, and May 5, 1997, the following remediation activities were conducted at the Lakeland Property:

1. Soil sampling, analysis, and excavation activities took place as the final loading racks and subsurface piping were removed. Excavation areas were determined using information from the FT/HRA and from Regional Board direction obtained by Powerine during five (5) site inspections.
2. The risk characterization for the site was reevaluated using all analytical data obtained from the excavation plus previous soil data already available from forty borings and from beneath fourteen (14) former tanks.
3. Sample duplicates were analyzed from the consultant to a potential purchaser's financing entity. Soil samples were also analyzed in response to requests made during the Regional Board's site inspection of May 9, 1997. The data obtained from these sampling locations was consistent with data previously obtained by Powerine from similar locations.
4. Excavated soil was stockpiled on a separate Powerine parcel located one quarter mile from the Lakeland Property. Remediation, disposal, and/or reuse options are now being evaluated for this soil.

All analytical data from more than 180 sampling locations indicates that the site presents neither a threat to groundwater nor to human health and safety. Notwithstanding the *de minimis* risk associated with the formerly unexcavated site, Powerine excavated over 5000 cubic yards of hydrocarbon impacted soil and backfilled the excavation areas with imported fill. The one on-site deep water production well (Well 6) and two off-site deep wells (Wells 7 and 8) were purged, gauged, and sampled. After receipt of groundwater data from Well 6 showed that the concentrations of volatile organic compounds were substantially beneath drinking water standards, Well 6 was abandoned. Powerine completed these activities, which exceed the closure requirements in RWQCB's April 2, 1997, transmittal.

On May 14, 1997 RWQCB staff issued a No Further Action letter regarding MTBE and petroleum hydrocarbon soil contamination at the Lakeland Property. The No Further Action letter was based on Powerine's FT/HRA. The RWQCB included the following comments and determinations in their No Further Action :

1. During removal of the above ground tanks and associated pipelines at site about 5,100 cubic yards of free-phase product or hydrocarbon saturated soils were moved to the Refinery North Coke Handling Property at 10820 Bloomfield Avenue, Santa Fe springs, for staging prior to treatment or off-site disposal by Powerine in accordance with Waste Discharge Requirements to be obtained from this Regional Board. This soil was placed on plastic sheeting over asphalt. In addition, this soil was covered with plastic sheeting.
2. Investigation reports indicate the presence of up to 27,000 mg/kg total petroleum hydrocarbon (TPH) as gasoline, up to 3.3 mg/kg methyl tertiary butyl ether (MTBE), 200

mg/kg benzene and up to 100 mg/kg naphthalene in site soils. A soil column of benzene has been identified in borings PT/PTR-3 from 15 feet to 65 feet below ground surface. Ground water is about 79 feet below ground surface.

3. The "Fate and Transport/Human Health Risk Assessment", dated March 21, 1997, indicated that the above remaining site soil contaminants will not impact the ground water within the next 99 years, the incremental cancer risk was predicted to be less than 0.4 in one million for a site industrial worker, and the non-carcinogenic hazard index was predicted to be less than 0.013.
  4. Up to 0.51 mg/L MTBE was identified in the ground water in July 1996 using EPA Method 8020 analyses. However, these results were not confirmed in the next sampling round in December 1996 using EPA Method 8240.
  5. Board staff has no objections to the Lakeland Property being developed for industrial use. Based on Item 2 above, no further action was required regarding MTBE and the petroleum hydrocarbon soil contamination at the Lakeland Property, provided that reasonable precautions are taken by those involved in any excavation, borings or related activities involving the subsurface of the Lakeland Property.
  6. Four monitoring wells on the property (MW-206, MW-501, MW-502, and MW-503) shall continue to be gauged and sampled semi-annually as part of the refinery ground water monitoring program, as proposed. The two new monitoring wells at the Lakeland Property installed by the potential lender shall be properly abandoned prior to site construction activities. If the wells are still in place at the time of the next round of ground water sampling, these wells shall be included in the ground water monitoring program of the refinery and remain in the program until properly abandoned.
- I. Proposed Development. Powerine has demolished and removed buildings, foundations, above and underground pipelines, above ground and underground storage tanks ("ASTs" and "USTs"), and various structures within the Lakeland Property. Powerine intends to convey title to the Lakeland Property for development of industrial warehouses, light manufacturing, or possible retail use ("Intended Uses").
- J. Implementation of Cleanup and Abatement Order No. 97-118. Powerine has agreed to submit to this Regional Board by March 15, 1998, a Master Work Plan and implementation Time Schedule, for approval by the Executive Officer, that details all known on-site and off-site ground water and soil contaminated areas for cleanup.
- K. Intended Uses Will Not Exacerbate Existing Contamination. The Parties intend and believe that, based upon competent engineering and other data previously considered, the Intended Uses (and all activities anticipated to be undertaken in connection therewith) will: 1) be pursued in such a manner so as to prevent substantial increased potential risk, if any, to persons or property from the Existing Contamination; 2) not exacerbate or contribute to the Existing Contamination or pose health risks to persons present at the Lakeland Property; and 3) not materially interfere with the ability of Powerine to carry out any duties and responsibilities established under its plan to continue implementation of Order No. 85-17 by conducting semi-annual groundwater monitoring.

L. Promotion of Development. The RWQCB desires to encourage redevelopment of the Lakeland Property. Powerine desires to sell, lease, or encumber the Lakeland Property and believes that, in order to do so effectively, it must offer prospective purchasers, tenants and lenders a release of liability for the Existing Contamination from the RWQCB. Accordingly, the RWQCB intends to settle and resolve the potential liability of any purchaser, Owners, Occupants and Lenders for the Existing Contamination, provided that any such Owners, Occupants, and Lenders: 1) did not cause or contribute to the Existing Contamination at the Lakeland Property; 2) do not otherwise cause or contribute to a release or threat of a release of hazardous substances at the Lakeland Property; and 3) comply with the terms of this Agreement.

M. RWQCB Jurisdiction and Factual Determinations. The RWQCB enters into this Agreement pursuant to Water Code Section 13304. The RWQCB has authority to enter into agreements whereby it covenants not to sue or assert claims against prospective purchasers, tenants or lenders in enforcement actions or other administrative actions for environmental remediation of environmentally impacted properties if such agreements are sufficiently in the public interest to warrant expending the public resources necessary to reach such an agreement. The RWQCB has also, in support of its granting of the RWQCB Covenant hereunder, made the following determinations:

1. Powerine has performed an adequate environmental investigation of the Lakeland Property.
2. Powerine has eliminated potential sources of contamination by removing existing ASTs, USTs, and associated equipment, concrete foundations and pipelines on the Lakeland Property, disposing of or recycling petroleum stored in above ground storage tanks (ASTs) on the Lakeland Property.
3. Powerine intends to remediate, dispose and/or reuse soil excavated from the Lakeland Property stockpiled on a separate Powerine parcel near the Lakeland Property.
4. Resolution of the potential liability of any purchaser (including their respective parent corporations, subsidiaries, divisions, officers, directors, shareholders, employees, agents, representatives, beneficiaries, heirs and assigns), Owners, Occupants, and Lenders for Existing Contamination, in exchange for provision by Powerine to the RWQCB of a substantial benefit, is in the public interest. This agreement is fair, reasonable and in the public interest.
5. The site is suitable for industrial use only. Regarding the MTBE and petroleum hydrocarbon soil contamination at this site, reasonable precautions are necessary by those involved in any excavation, soil borings, or related activities involving the subsurface to any depth.
6. Ground water contamination may have originated from the Lakeland Property. Ground water contamination originated from the Powerine refinery has been identified underneath the Lakeland Property and off-site to the south.

N. Purpose. The Parties agree to undertake all actions required by the terms and conditions of this Agreement. The purpose of this Agreement is to settle and resolve, subject to reservations and limitations contained herein, the potential liability of any purchaser (including their respective

parent corporations, subsidiaries, divisions, officers, directors, shareholders, employees, agents, representatives, beneficiaries, heirs and assigns), Owners, Occupants, and Lenders for the Existing Contamination at the Lakeland Property that would otherwise result from conveyance of the Lakeland Property.

O. Conditions of Agreement. The RWQCB's willingness to grant the RWQCB Covenant to any purchaser (including their respective parent corporations, subsidiaries, divisions, officers, directors, shareholders, employees, agents, representatives, beneficiaries, heirs and assigns), and any particular Owner, Occupant, or Lender is expressly conditioned upon: 1) granting by Powerine, any purchaser and such Owner, Occupant or Lender of a covenant not to sue pursuant to Section 3.02 hereof; 2) execution, with respect to Owners and Occupants only, by each such owner or Occupant, of a certificate in the form attached as Exhibit "C" as provided in Section 2.02 hereof; 3) use of sale or loan proceeds from the Lakeland property toward restarting and reestablishing the Powerine Refinery, as described in Recital "D", herein; 4) Powerine's submittal to this Regional Board by December 31, 1997, of a Work Plan and Time Schedule acceptable to the Executive Officer, to initiate remediation of the off-site benzene plume beneath the Lakeland Property and beneath the Metropolitan State Hospital; 5) Powerine's deposit of \$150,000 dollars, U.S. currency, into a reserve account to implement Order No. 97-118; and 6) the further terms and provisions set forth herein.

## ARTICLE I

### DEFINITIONS

Unless otherwise expressly provided herein, terms used in this Agreement which are defined in the California Water Code, or in regulations promulgated thereunder, or the California Health & Safety Code, in regulations promulgated thereunder, shall have the meaning assigned to them in the Water Code, the Health & Safety Code, or in such regulations, including any amendments thereto.

1.01 Effective Date. "Effective Date" shall mean the date this Agreement is executed by each Party.

1.02 Existing Contamination. "Existing Contamination" shall mean any contamination caused by any hazardous substances, pollutants, contaminants or solid wastes, present or existing at, on, or under (including within the groundwater beneath), or in the vicinity of or migrating from the Lakeland Property as of the Effective Date of this Agreement, including, without limitation, that contamination identified in reports listed in Exhibit D and any breakdown compounds of contamination in existence as of the Effective Date of the Agreement.

1.03 Intended Uses. The intended uses of the Lakeland Property include industrial warehouses, light manufacturing and possibly retail.

1.04 Any purchaser. "any purchaser" shall mean any purchaser, and any successor but shall exclude any affiliate of Powerine Oil Company Incorporated.

1.05 Powerine. "Powerine" shall mean Powerine Oil Company, a California corporation, its affiliates, and any corporate successor.

1.06 Lender(s). "Lender(s)" shall mean those persons (whether individuals, banks, other financial institutions or other entities, including their respective officers, directors, shareholders, employees, agents, representatives, heirs and assigns) who, from and after the Effective Date, become beneficiaries under a deed of trust or lienholder under other lien instruments covering any portion of the Lakeland Property in the context of a bona fide financing transaction.

1.07 Notice. "Notice" shall mean that recordable notice, in the form of Exhibit "C" hereto, to be executed by each Owner and Occupant pursuant to Section 2.02 hereof.

1.08 Occupant(s). "Occupant(s)" shall mean those persons (whether individuals, corporations, partnerships or other legal entities, including their respective officers, directors, shareholders, employees, agents, representatives, heirs and assigns) who, from and after the Effective Date, become entitled by leasehold or other legal relationship with Powerine, any purchaser, or an Owner to the legal right to occupy any portion of the Lakeland Property. "Occupants" expressly include: a) Lenders who have, through foreclosure or deed-in-lieu thereof or through lease or other arrangement with an Owner or Powerine, the legal right to occupy any portion of the Lakeland Property; and b) a lessee of the Lakeland Property in a sale-leaseback transaction. "Occupant(s)" excludes Powerine and any purchaser.

1.09 Owner(s). "Owner(s)" shall mean those persons (whether individuals, corporations, partnerships or other legal entities, including their respective officers, directors, shareholders, employees, agents, representatives, heirs and assigns) who, from and after the Effective Date, are Powerine's successors-in-interest with respect to Powerine's surface rights in and to the Lakeland Property, being those persons who hold title (whether legal or equitable) to all or any portion of the Site. "Owners" expressly include: a) Lenders who, through foreclosure or deed-in-lieu thereof or through grant deed or other conveyancing instrument from Powerine, any purchaser, or an Owner, acquire title to any portion of the Lakeland Property; and b) a lessor of the Lakeland Property in a sale-leaseback transaction. "Owner(s)" excludes Powerine and any of its affiliates and any purchaser.

1.10 Parties. "Party" and "Parties" shall mean the RWQCB, and Powerine.

1.11 RWQCB. "RWQCB" shall mean the State of California, California Regional Water Quality Control Board - Los Angeles Region and any successor agency of the State of California that may have responsibility for and jurisdiction over the subject matter of this Agreement.

1.12 Lakeland Property. "Lakeland Property" shall mean the real property which is described in Exhibit "A" and depicted in Exhibit "B" of this agreement.

1.13 Affiliate "Affiliate" shall mean any entity related to Powerine Oil Company or its Owners, Directors or Officers, including subsidiaries, partners, and parent entities."

## ARTICLE II

### ACCESS RIGHTS AND NOTICES

2.01 Site Access. Powerine, any purchaser, Owners, and Occupants hereby grant an access easement to: a) the RWQCB, its authorized officers, employees, representatives and all other persons performing Lakeland Property assessment or cleanup actions under the oversight of the

RWQCB, for the purpose of entry upon the Lakeland Property at reasonable times and in a reasonable manner to monitor and inspect the groundwater monitoring wells and to exercise any other rights and responsibilities under any orders issued by the RWQCB; and b) Powerine, its authorized officers, employees, representatives and all other persons performing assessment or remediation actions on behalf of Powerine or its successors, for the purpose of entry upon the Lakeland Property at reasonable times and in a reasonable manner to perform assessment and remediation activities. The RWQCB acknowledges that the Lakeland Property is to be developed for the Intended Uses and agrees that its easement rights hereunder shall not be exercised in manner which would unreasonably interfere with the Intended Uses. Nothing in this Agreement shall be interpreted to limit the RWQCB's authority under the California Water Code, Porter-Cologne Act, to take actions for the protection of the public health and safety or the environment.

**2.02 Notices.** Prior to or simultaneous with any assignment or transfer of the Lakeland Property, the assignee or transferee shall as a precondition to receiving the benefit of the RWQCB Covenant Not to Sue, execute a written instrument in the form attached hereto as Exhibit "C", which shall accompany each purchase, lease, sublease or rental agreement relating to the Lakeland Property.

**2.03 Due Care/Cooperation.** Any purchaser, Owners, and Occupants shall exercise due care at the Lakeland Property with respect to the Existing Contamination and shall comply with all applicable local, state, and federal laws and regulations. Any purchaser, Owners and Occupants agree to cooperate fully with the RWQCB in the implementation of groundwater monitoring and remediation at the Lakeland Property and further agree not to interfere with such groundwater monitoring and remediation. In the event Powerine, Purchaser, Owners, or Occupants become aware of any action or occurrence which causes or threatens a release of hazardous substances, pollutants or contaminants at or from the Lakeland Property that constitutes an emergency situation or may present an immediate threat to public health or welfare or the environment, any purchaser, Owners and Occupants shall immediately take all appropriate action to prevent, abate, or minimize such releases or threat of releases, and shall, in addition to complying with any applicable notification requirements under the Health & Safety Code, Water Code or any other law, immediately notify the RWQCB of such release or threatened release.

**2.04 Costs of Enforcement.** Except with regard to Section 2.02, any purchaser or any Owner or Occupant that fails to comply with the terms of this Agreement shall be liable for all enforcement costs, including, but not limited to, litigation costs incurred by the RWQCB to enforce the provisions of this Agreement or otherwise obtain compliance.

### ARTICLE III

#### COVENANTS

**3.01 RWQCB's Covenant Not to Sue.** The RWQCB hereby unconditionally and irrevocably (except as otherwise provided herein) covenants not to name any purchaser (including their respective parent corporations, subsidiaries, divisions, officers, directors, shareholders, employees, agents, representatives, beneficiaries, heirs, and assigns), or any Owner, Occupant or Lender in any enforcement action, not to sue nor take any civil, judicial or administrative action nor to pursue any claim, enter any order or make any demand against any purchaser, or any Owner, Occupant, or Lender for claims pursuant to: Sections 107 and 113 of CERCLA, 42 U.S.C. Sections 9607, 9613 and Section 7003 of RCRA, 42 U.S.C. Section 6973; or, Chapter 5 of the



Water Code (commencing with Section 13300); Chapters 6.5 (commencing with Section 25100) and 6.8 (commencing with Section 25301), Division 20 of the Health & Safety Code; or pursuant to the California Code of Regulations applicable to the RWQCB's authority; or, pursuant to other applicable laws, regulations or civil, judicial or administrative authorities, solely with respect to the Existing Contamination at the Lakeland Property or any portion thereof ("RWQCB Covenant"). The RWQCB Covenant shall pass with each and every portion of the Lakeland Property, and shall benefit each Owner, Occupant and Lender thereof. The RWQCB Covenant as to any purchaser, Owners, Occupants and Lenders shall take effect upon the Regional Board's execution of this Agreement. The RWQCB further covenants not to sue or take any civil, judicial or administrative action, to pursue any claim, enter any order or make any demand against any purchaser for claims of damages for injury to, destruction of, or loss of natural resources, and for the cost of any natural resource damages assessment.

**3.02 Reciprocal Covenant Not to Sue.** In consideration of the RWQCB Covenant, and for as long as Powerine, any purchaser, and any Owner, Occupant, or Lender enjoys the benefit of the RWQCB Covenant, Powerine, any purchaser, and each Owner, Occupant, and Lender hereby covenant, separately and independently, not to sue and not to assert any claim or cause of action against the RWQCB, its authorized officers, employees, or representatives with respect to the Existing Contamination at the Lakeland Property, including but not limited to: a) any direct or indirect claim for reimbursement from the Hazardous Waste Control Account, Hazardous Substance Account, or Hazardous Substance Cleanup Fund through Health & Safety Code Section 25375 or any other provision of law; or b) any other claim arising out of the RWQCB's oversight activities at the Lakeland Property conducted under any Order, Water Code, or other applicable law ("Reciprocal Covenant"). This Reciprocal Covenant is made and given, effective upon execution of this Agreement, by Powerine, any purchaser and upon execution of a Notice by each Owner and Occupant, and does not extend to or bind any other persons; provided, that Lenders (unless they have become an Owner or Occupant pursuant to Sections 1.07 and 1.08 above) shall not be required to execute a Notice, but shall be deemed to be bound by such covenant as a precondition to receiving the protection of the RWQCB Covenant.

**3.03 RWQCB's Reservation of Rights.** Notwithstanding the RWQCB Covenant, the RWQCB reserves the right to assert any claims, enforcement actions, or other civil or administrative proceedings relating to the acts or omissions of Powerine, any purchaser, or any individual Owner, Occupant, or Lender occurring after the Effective Date and which may give rise to liability under applicable law relating to any:

- a) release or threat of a release of a hazardous substance, pollutant or contaminant, other than the Existing Contamination, resulting from the ownership, operation, use or development of the Lakeland Property by Powerine, any purchaser or that particular Owner or Occupant;
- b) introduction of any hazardous substance, pollutant or contaminant, not including the Existing Contamination, to the Lakeland Property after the Effective Date by Powerine, any purchaser or by a particular Owner or Occupant;
- c) interference by any purchaser or a particular Owner or Occupant with Powerine's activities undertaken pursuant to this Agreement and any failure of any purchaser or of a particular Owner or Occupant to cooperate, as required by Section 2.03, with the RWQCB, its employees, agents, contractors, or authorized representatives or with Powerine conducting groundwater monitoring or remediation activities under the RWQCB's direction and oversight at the Lakeland Property;



d) transportation and disposal after the Effective Date by Powerine, any purchaser, or a particular Owner or Occupant of hazardous substances from the Lakeland Property;

e) exacerbation or release of the Existing Contamination after the Effective Date by Powerine, any purchaser, or by a particular Owner or Occupant cause by: (i) the willful misconduct, recklessness or gross negligence of Powerine, any purchaser, or by such Owner or Occupant; or (ii) activities on the Lakeland Property which are incompatible with, or unnecessary in the pursuit of, the Intended Uses, including but not limited to, the creation of a source of contamination (e.g., surface or subsurface runoff and migration) associated with such wrongful, reckless, gross negligent or unauthorized activities at the Lakeland Property;

f) failure to exercise due care as required under Section 2.03 after the Effective Date by Powerine, any purchaser, or by a particular Owner or Occupant with respect to any hazardous substances, pollutants, or contaminants at the Lakeland Property, including but not limited to, the Existing Contamination;

g) criminal liability of Powerine, any purchaser, or of a particular Owner or Occupant;

h) Failure to use the sale or loan proceeds from the Lakeland property toward restarting and reestablishing the Powerine Refinery, as described in Recital "D", herein.

The foregoing specific reservations by the RWQCB shall be separately and distinctly applied with respect to any purchaser and each Owner and Occupant, the intent being that none of the foregoing actions or events applicable to a particular Owner or Occupant shall render the RWQCB Covenant inapplicable to Powerine, any purchaser, or to any Owner, Occupant, or Lender. Nothing contained in this Section, subject to the provisions of this agreement, shall be deemed a waiver of any defense, cross-claim, counterclaim, offset or other rights available to Powerine, any purchaser, or such Owner, Occupant, or Lender (at law or in equity) in response to any claim or enforcement action by the RWQCB, as specifically reserved hereunder. The foregoing specific reservations by the RWQCB also apply to any Lender who participates in management of the Lakeland Property for purposes of 42 U.S.C. 9601 (20)(a) and who commits an act or omission in a) through g) above. The foregoing specific reservations by the RWQCB shall not be construed to expand the scope of the RWQCB Covenant. If any purchaser or any Owner, Occupant, or Lender is determined, through adjudication or the administrative or the regulatory processes, to have committed an act or omission after the Effective Date for which the RWQCB has specifically reserved its rights in a) through g) above, any purchaser (if it was so determined to have committed the act or omission), or the particular Owner, Occupant, or Lender that was determined to have committed the act or omission, shall be liable for all enforcement costs including, but not limited to, litigation costs incurred by the RWQCB in conjunction with that act or omission.

**3.04 RWQCB Reservation of Rights as to Other Parties.** The RWQCB Covenant is made and given solely for the benefit of any purchaser (including their respective parent corporations, subsidiaries, divisions, officers, directors, shareholders, employees, agents, representatives, beneficiaries, heirs and assigns), Owners, Occupants, and Lenders, and for no other persons. The RWQCB reserves the right to assert all claims or causes of action against any other person, firm corporation, or any other entity, including its officers, directors, shareholders, and employees, for any claims associated with the Lakeland Property, and for any other relief to which the RWQCB may be entitled at law or any equity.

**3.05 RWQCB's Reservation or Rights as to Unknown Conditions or New Information.** The RWQCB Covenant does not apply (and the RWQCB reserves the right to institute an action under state law, or to take administrative action against any person) if previously unknown conditions (i.e. not within the definition of Existing Contamination) are discovered or information is received, in whole or in part, after the Effective Date, and these previously unknown conditions or this new information demonstrate that any purchaser or a particular Owner or Occupant has caused the Existing Contamination. This reservation shall apply only to that Owner or Occupant with respect to whom such unknown conditions discovered hereunder pertain.

**3.06 Reservation of Rights by Powerine and RWQCB.** Notwithstanding anything to the contrary herein, and prior to any sale of the property by Powerine, Powerine reserves the unilateral right to terminate this Agreement upon providing five (5) days prior written notice to the RWQCB if, in its sole discretion, it determines that development of the Lakeland Property is not economically feasible. In such case, all Parties shall be relieved from all obligations of this Agreement, including, without limitation, the covenants set forth in Section 3.01 and 3.02, above.

**3.07 Reservation of Rights by RWQCB as to Powerine** Notwithstanding the RWQCB covenant, based on Powerine's historical data search and analytical data evaluation, the upgradient refinery is the source of releases that caused downgradient ground water contamination. As among Powerine, any purchaser, and the RWQCB, Powerine accepts liability for Existing Contamination, including, without limitation, petroleum hydrocarbon related ground water contamination downgradient of the Refinery Property and underneath the Lakeland Property or elsewhere migrating from the refinery.

#### ARTICLE IV

#### MISCELLANEOUS

**4.01 Term.** This Agreement shall continue in effect in perpetuity unless properly terminated in accordance with the provisions of this Agreement and applicable law.

**4.02 Amendment.** Powerine, any purchaser, any Owner, or, with the Owner's consent, any Occupant of the Lakeland Property or any portion thereof may apply to the RWQCB for a written amendment to the provisions of this Agreement as they apply to all or any portion of the Lakeland Property, and the RWQCB's approval shall not be unreasonably withheld. Any amendment to the Agreement which results from any such application shall apply only to Powerine, any purchaser, or to that Owner or Occupant who made the application for the same. Any amendment to the Agreement which results from any such application shall apply only to Powerine, any purchaser, or to that Owner or Occupant who made the application for the same. The RWQCB may also propose to Powerine, any purchaser, Owners, and Occupants (with the Owner's consent), written amendments to the Agreement and the approval of Powerine, any purchaser, and/or the particular Owners and Occupants shall not be unreasonably withheld. Any amendment, termination or variance pursuant to this section 4.02 must be in writing and signed by the RWQCB and Powerine, any purchaser and/or such Owners and/or Occupants affected thereby. Any amendment to this Agreement shall be effective upon the date the amendment is signed by each of the applicable Parties and shall be deemed incorporated in this Agreement.

4.03 No Dedication Intended. Nothing set forth herein shall be construed as a gift or dedication, or offer of a gift or dedication, of the Lakeland Property or any portion thereof to the general public or for any purpose whatsoever.

4.04 Notices. All notices, documents and communications required to be given under this Agreement, unless otherwise specified herein, shall be sent to the respective Parties at the following addresses in a manner that produces a record of the sending of the notice, document or communication such as a certified mail, overnight delivery service, facsimile transmission or courier hand delivery service and shall be effective upon receipt. The address of any Party may be changed upon delivery of a written notice of change of address by each of the other Parties.

To RWQCB: California Regional Water Quality Control Board  
Los Angeles Region  
Attention: James E. Ross  
101 Centre Plaza Drive  
Monterey Park, California 91754-2156  
Telephone: (213) 266-7550 Facsimile: (213) 266-7600

To Powerine: Powerine Oil Company  
Attention: June Christman  
12345 Lakeland Road  
Santa Fe Springs, California 90670-3815  
Telephone: (562) 944-6111 Facsimile: (562) 903-8911

To Owners or Addresses set forth in the Notice  
Occupants: to be executed pursuant to Section 2.02,  
above.

4.05 Partial Invalidity. If any portion of this Agreement is determined to be invalid for any reason, the remaining portions shall remain in full force and effect as if such portion had not been included herein.

4.06 Article and Section Headings. Headings at the beginning of each numbered article and section of this Agreement are solely for the convenience of the Parties and are not a part of the Agreement.

4.07 Recordation. This Agreement shall be executed by the RWQCB, Powerine, and any purchaser. This Agreement shall be recorded by Powerine in the County of Los Angeles prior to the recordation of any conveyance, or execution of any lease for, any portion of the Lakeland Property by Powerine in favor of any purchaser, any Owner or Occupant. Any amendment to this Agreement shall also be recorded in the County of Los Angeles.

4.08 References. All references to the California Health and Safety Code, California Water Code, and any federal code sections include successor provisions.

4.09 Authority. Each signatory of a Party to this Agreement represents that he or she is fully authorized to enter into terms and conditions of this Agreement and to legally bind such party.

4.10 No Admission of Liability. The Parties agree that their respective entry into this Agreement, and any actions to be undertaken by Powerine or any purchaser in accordance with this Agreement, do not constitute an admission of any liability by Powerine or any purchaser, except as set forth in this Agreement.

4.11 Counterparts. This Agreement may be executed and delivered in any number of counterparts, each of which when executed and delivered shall be deemed to be an original, but such counterparts shall together constitute one and the same document.

4.12 Parties Bound. This Agreement shall apply to and be binding upon: a) the RWQCB and any successor agency of the State of California that may have responsibility and jurisdiction over the subject matter of this Agreement; and b) Powerine, any purchaser, Owners, Occupants, and Lenders and their respective officers, directors, agents, employees, contractors, consultants, receivers, trustees, successors, and assignees, including but not limited to individuals, partners and subsidiary, affiliates, and parent corporations.

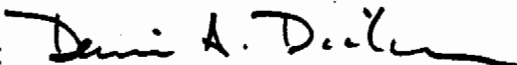
4.13 Governing Law. This Agreement shall be construed and governed by the laws of the State of California.

4.14 Construction. No Party hereto (nor any attorney of an of the Parties) shall be deemed the drafter of this Agreement for purposes of interpreting or construing any provision of this Agreement.

IN WITNESS WHEREOF, the Parties execute this Agreement as of the date set forth below.

CALIFORNIA REGIONAL WATER QUALITY CONTROL  
BOARD - LOS ANGELES REGION

By:

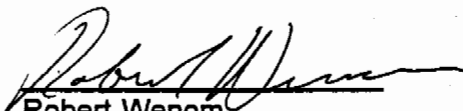


Dennis Dickerson  
Executive Officer

Date: August 26, 1997

POWERINE OIL COMPANY

By:



Robert Wenom  
Refinery Manager

Date: August 26, 1997

**EXHIBIT A**

**LEGAL DESCRIPTION OF PROPERTY**

THE LAND REFERRED TO IN THIS REPORT IS SITUATED IN THE STATE OF CALIFORNIA, COUNTY OF LOS ANGELES, AND IS DESCRIBED AS FOLLOWS:

**PARCEL 1:**

That portion of Section 7, Township 3 South, Range 11 West, in the Rancho Santa Gertrudes, in the City of Santa Fe Springs, County of Los Angeles, State of California, as per map recorded in Book 32, Page 18 of Miscellaneous Records, in the office of the County Recorder of said County, described as follows:

The East 158.35 feet of the West half of the Northeasterly quarter of the Northwest quarter of the Northeast quarter of said Section 7.

EXCEPT THEREFROM any portion thereof deeded to the County of Los Angeles for road purposes.

ALSO EXCEPT THEREFROM an undivided one-half interest of all oil, gas and other hydrocarbon substances lying in or under said land as reserved by Donald C. Brown in deed registered April 4, 1947 as Document No. 7656-P.

**PARCEL 2:**

The East quarter of the North half of the Northwest quarter of the Northeast quarter of Section 7, Township 3 South, Range 11 West, San Bernardino Meridian, in the County of Los Angeles, State of California.

EXCEPT THEREFROM a strip of land 30 feet wide along the North side thereof reserved for roads, railroad and water courses.

ALSO EXCEPT THEREFROM all oil, gas, minerals and hydrocarbon and similar substances contained in, under or which shall be produced from said lands, as reserved in the deed from Jennie E. Suppes, et al., recorded August 24, 1923 as Document No. 45153 on Certificate BM-22974.

(LEGAL DESCRIPTION CONTINUED)

PARCEL 3:

The West 475 feet of the North half of the Northeast quarter of the Northeast quarter of Section 7, Township 3 South, Range 11 West, as per map of Rancho Santa Gertrudes subdivided for Santa Gertrudes Land Association by Hoffman Brothers, in the City of Santa Fe Springs, County of Los Angeles, State of California, as per map recorded in Book 1, Page 502 of Miscellaneous Records, in the office of the County Recorder of said County.

EXCEPT THEREFROM one-eighth of all petroleum contained within said land and the royalty of one cent per thousand cubic feet measured on an eight ounce base for all gas produced and saved and sold off any part of said land, as reserved by Emil Surbech and Magdalena Surbech, his wife, in deed recorded in Book 2172, Page 80 of Official Records and endorsed as a memorial under the provisions of the land title law on August 15, 1923 as Document No. 42760 on Certificate BH22833.

ALSO EXCEPT THEREFROM an undivided 33.336 percent interest in all oil, gas and other hydrocarbons in, under, or that may be produced and saved from said land, together with the right to drill, redrill, deepen, complete, equip, maintain, repair and clean out, to, into and under and to operate and produce from and under the subsurface of said land at a depth of not less than 500 feet below the present surface thereof, a well or wells for the purpose of exploring for and producing oil, gas and other hydrocarbons provided however that all rights so reserved shall be exercised without the use of any part of the surface of said land or any part of the subsurface thereof to a depth of 500 feet measured from the present surface of the ground, as reserved by Suniland Oil Corporation, a Delaware corporation, in deed recorded January 4, 1962 in Book D-1469, Page 170, Official Records.

ALSO EXCEPT:

- (1) An undivided sixty-six and six hundred sixty-four one thousandths percent interest in all oil, gas and other hydrocarbons in, under or that may be produced and saved from said land, subject to said Surbech Reservation, so that one hundred percent of the full fee interest in all oil, gas and other hydrocarbons in, under or that may be produced and saved from said land (subject to said Surbech Reservation) shall be owned and held 33.336 percent by said Suniland Oil Corporation, its successors and assigns and 66.664 percent by grantor herein, its successors and assign; and

(LEGAL DESCRIPTION CONTINUED)

(2) The right to drill, redrill, deepen, complete, equip, maintain, repair and clean out, to, into, under and through, and to operate and produce from and under and through the subsurface of said land at a depth of not less than five hundred feet below the present surface thereof, a well or wells for the purpose of exploring for and producing oil, gas and other hydrocarbons from said land or any other lands in the vicinity thereof; provided, however, the right so reserved in subparagraphs (1) and (2) hereof shall be exercised without the use of any part of the surface of said land or any part of the subsurface thereof to a depth of five hundred feet measured from the present surface of the ground, together with all buildings, facilities and items of equipment and other personal property (except merchandise) owned by the grantor and located on the above described real property, as reserved by Humble Oil & Refining Company, a corporation, in deed recorded April 5, 1962 in Book D-1569, Page 193, Official Records.

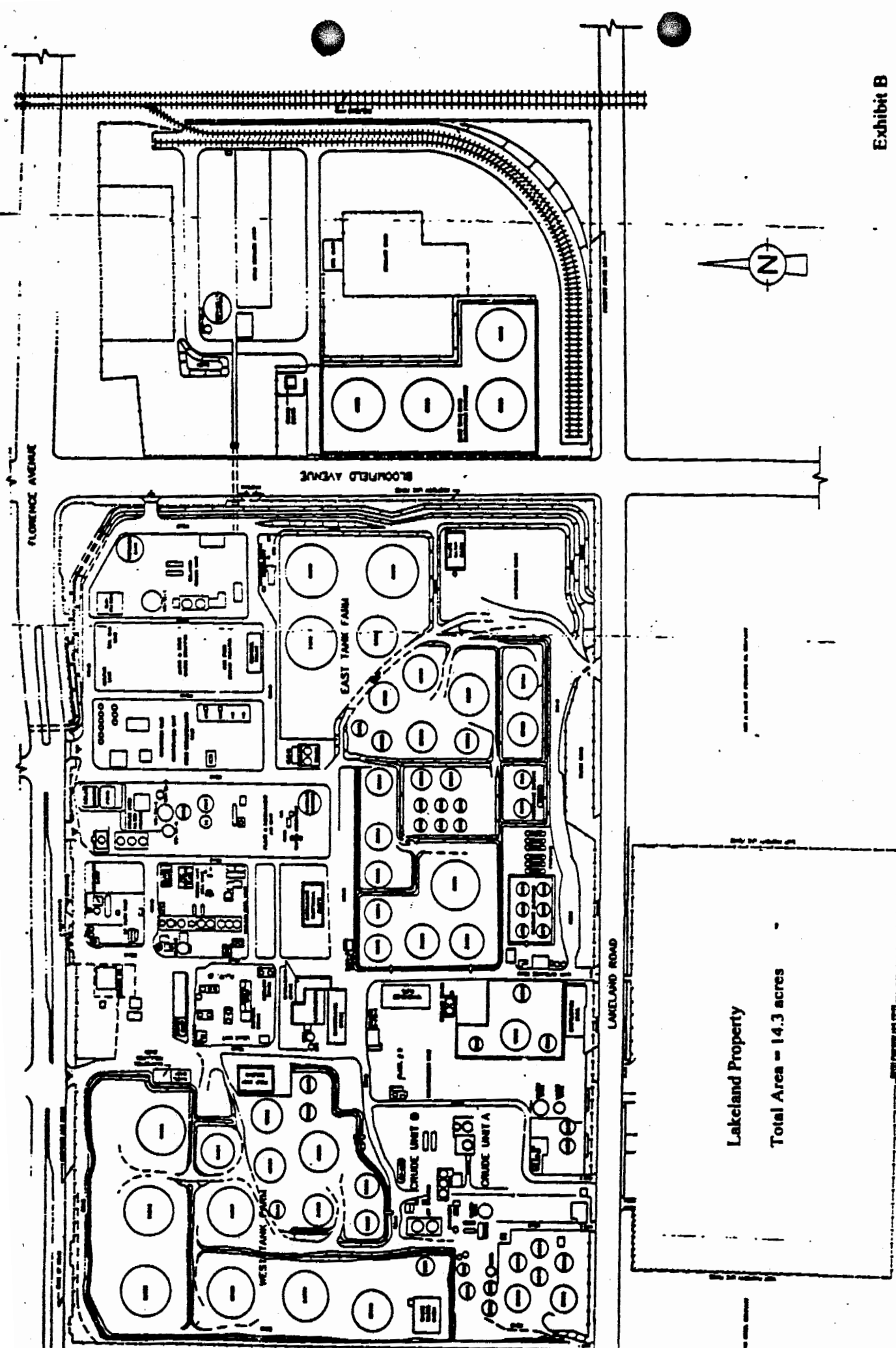


Exhibit B

Lakeland Property  
Total Area = 14.3 acres

POWERLINE OIL COMPANY 12345 Lakeland Road, P.O. Box 1000 Lakeland, Florida 34001		REFINERY OVERALL PLOT PLAN A/E: 331	
F.L. WOODS ASSOCIATES, INC. 10000 Lakeland Ave., Suite 100 Lakeland, Florida 34001		DATE: _____ DRAWN BY: _____ CHECKED BY: _____ APPROVED BY: _____	



**EXHIBIT "C" - NOTICE OF PROPERTY TRANSFER AND COVENANT NOT TO SUE**

\_\_\_\_\_  
(Name of Owner or Occupant) (the "Undersigned")  
became an Owner or Occupant (circle appropriate description) of 12354 Lakeland Road, Santa Fe Springs,  
California (the "Lakeland Property") on \_\_\_\_\_, 19\_\_\_\_. Capitalized terms not defined herein shall have the  
meaning ascribed in the Agreement (hereinafter defined).

1. The Undersigned, by signing below, verifies that it has read the Agreement and Covenant Not to Sue ("Agreement").

2. The Undersigned understands and agrees that Section 3.01 of the Agreement contains a covenant by the California Regional Water Quality Control Board - Los Angeles Region ("RWQCB") not to pursue enforcement actions against Owners and Occupants of the Lakeland Property (the "RWQCB Covenant").

3. The Undersigned also understands and agrees that it may enjoy the benefits of the RWQCB Covenant only if the Undersigned covenants not to sue the RWQCB pursuant to the Reciprocal Covenant set for the in Section 3.02 of the Agreement.

4. The Undersigned further understands and agrees that its right to rely upon and benefit from the RWQCB Covenant is expressly subject to and conditioned upon its own, and only its own, compliance with its obligations under the Agreement, including all exhibits, attachments and appendices thereto.

5. Notices to the Undersigned, pursuant to Section 4.04 of the Agreement, Shall be addressed follows:

Name of Company \_\_\_\_\_  
Street Address \_\_\_\_\_  
City, County \_\_\_\_\_  
State, Zip Code \_\_\_\_\_  
Attention: \_\_\_\_\_  
Telephone: \_\_\_\_\_  
Facsimile: \_\_\_\_\_

The Undersigned, by signing below, verifies that: (i) it is aware that hazardous substances have been found within the boundaries of the Lakeland Property; and (ii) such condition renders its interest in the Lakeland Property subject to the Agreement and to all applicable laws and regulations of the State of California.

The Undersigned, by signing below, certifies that he or she is fully authorized to enter into the terms and conditions of this Notice and to execute and legally bind the Owner or Occupant to this Notice.

Date: \_\_\_\_\_

\_\_\_\_\_  
Owner/Occupant      Typed name of person Authorized to sign on behalf of

Title: \_\_\_\_\_

To become effective, this Notice must be sent by United States mail, postage paid, certified, return receipt request, to:

California Regional Water Quality Control Board  
Los Angeles Region  
Attention: Executive Officer  
101 Centre Plaza Drive  
Monterey Park, California 91754-2156

This Notice shall be effective three business days after deposit in the mail, if mailed by United States mail, postage paid, certified, return receipt requested. —

## **EXHIBIT D**

### **LIST OF REPORTS IDENTIFYING EXISTING CONTAMINATION AT THE LAKELAND PROPERTY**

The following reports and correspondence document the Existing Contamination at the Lakeland Property:

IT Corporation, "Investigation and Site Assessment for Subsurface Contamination, Powerine Oil Company, Santa Fe Springs, California." January 9, 1986.

IT Corporation, "Progress Report - Mitigation Investigation and Feasibility Study for Groundwater, Powerine Oil Refinery, Santa Fe Springs, California." August 28, 1986.

TriHydro Corporation, "Offsite Subsurface Investigation, Powerine Refinery, Santa Fe Springs, California." February 19, 1996.

TriHydro Corporation, "Semiannual Groundwater Monitoring Report, Powerine Oil Company, Santa Fe Springs, California." August 26, 1996.

Christman, June - Powerine, Letter to Los Angeles Regional Water Quality Control Board, "Request for Workplan Approval and Separation of Regulatory Oversight for Refinery Properties." November 7, 1996.

Los Angeles Regional Water Quality Control Board, Letter to June Christman, "Powerine Oil Administration and North Coke Handling Properties, 12354 Lakeland Road, Santa Fe Springs - Work Plan Approval (File No. 96-137)." November 14, 1996.

TriHydro Corporation, "Soils Investigation, Administrative Building/Lakeland Property Project 63-07." December 17, 1996.

Christman, June - Powerine, Letter to Los Angeles Regional Water Quality Control Board, "Notice of Additional Soil Investigation at Powerine Administrative Building/Lakeland Property, File No. 96-137." January 3, 1997.

Christman, June - Powerine, Letter to Los Angeles Regional Water Quality Control Board, "Request for Approval of Workplan for Fate Transport/Baseline Risk Assessment." February 6, 1997.

TriHydro Corporation, "Final Soils Investigation, Administrative Building/Lakeland Property, Project 63-08." February 7, 1997.

Christman, June - Powerine, Letter to Los Angeles Regional Water Quality Control Board, "Submittal of Final Soils Investigation and Groundwater History Review." February 13, 1997.

## **EXHIBIT D**

### **LIST OF REPORTS IDENTIFYING EXISTING CONTAMINATION AT THE LAKELAND PROPERTY**

Winefield, Matt - Powerine, Letter to Los Angeles Regional Water Quality Control Board, "Submittal of Natural Attenuation Study." February 26, 1997.

TriHydro Corporation, "Semiannual Groundwater Monitoring Report, Project 63-04." February 26, 1997.

Los Angeles Regional Water Quality Control Board, Letter to June Christman, "Powerine Oil Administration and Coke Handling Properties, 12354 Lakeland Road, Santa Fe Springs (File No. 96-137). April 2, 1997

Christman, June - Powerine, Letter to Los Angeles County Department of Public Works, "Request For Closure by May 13, 1997 of UST File Pursuant to Removal Activities." May 5, 1997

Powerine Oil Company, "Preliminary Closure Report, Powerine Lakeland Property. May 7, 1997

County of Los Angeles Department of Public Works, Letter to June Christman, "Site investigation Report (Closure Permit No. 188998 and 189892.) May 8, 1997

Powerine Oil Company, "Final Closure Report, Powerine Lakeland Property. May 12, 1997.

Los Angeles Regional Water Quality Control Board, Letter to June Christman, "Powerine Oil Administration and Coke Handling Properties, 12354 Lakeland Road, Santa Fe Springs (File No. 96-137)." May 14, 1997